

HIPAA 5010 and ICD-10 Preparedness

**Michigan Department of Community Health -
Michigan Medicaid
Blue Cross Blue Shield of Michigan**

December 14, 2010

Agenda

- Welcome and Introductions
- Objective of Session
- Michigan Medicaid EHR Incentive Program Update
- HIPAA 5010 Initiative
 - BCBSM and MDCH Approach and Timeline
- ICD-10 Initiative
 - BCBSM and MDCH Approach and Timeline
- Roundtable Discussion
 - Status of Provider Readiness
 - Opportunities for Collaboration

Objective of Session

- Assist Michigan health care providers & trading partners in HIPAA 5010 remediation and migration to ICD-10
- Foster a collaborative relationship between major payers & associations
- Develop a coordinated communication, testing and deployment strategy that meets providers' needs
- Enlist support to meet the objectives

**HIPAA 5010 Initiative
BCBSM and MDCH
Approach and Timelines**

Federal Compliance Date

- The deadline for conversion to 5010 version is **January 1, 2012.**
- At that time, all electronic transactions that you or your vendors send to BCBSM and Michigan Medicaid must use HIPAA 5010.

Federal Compliance Date:

January 1, 2012



BCBSM Test Plan Approach

Target our top 100 commercial vendors and in-house software developers ranked by claim volume and user count. Schedule Validator testing, sub-system testing and deployment within the 2nd and 3 Quarters.

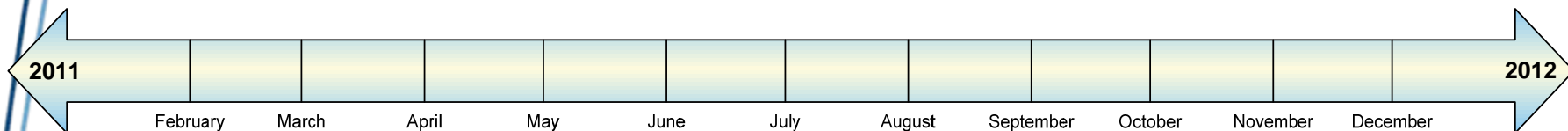
Test and deploy the remaining testing partners by 12/31/2011.

Testing requirements:

- HIPAA Validator testing beginning in January 2011
 - Validator is a HIPAA compliance self-testing tool
 - Available now for trading partners to test 5010 compliance.
 - To-date minimal partners have engaged the tool.
 - Proactively schedule Validator testing for all testing partners beginning January 2011. Once passed they can proceed to pilot or Sub-system testing
- Pilot testing for selected partners in an end-to-end QA environment beginning in May 2011. Selection based on specialties and rank.
- Sub-system testing May 2011. Successful Software Developers promoted to production.
- Vendors - Vendor certification with two trading partners in production required before they are approved.
- Dual Environment 6/1/2011 – 12/31/2011.
- Production Deployment 5/1/2011 – 12/31/2011



BCBSM Testing Population



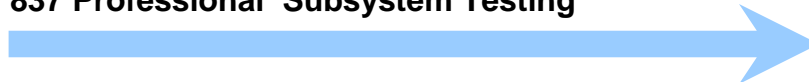
Validator Testing



Pilot Testing



837 Professional Subsystem Testing



837 Institutional Subsystem



270/271 Real Time



837 Dental



MDCH Test Plan Approach

HIPAA Validation Testing

- Using Edifecs Ramp Manager, a HIPAA compliance self-testing tool
- Available for testing Spring 2011
- Ability to test inbound transactions, including: 837 claims/encounters, 276 claim status requests, batch 270 eligibility requests, 278 prior authorization requests, NCPDP D.0 encounters
- Validation testing must be passed before proceeding to pilot or subsystem testing

Pilot Testing

- Target top submitters ranked by claim volume, claim type and specific subspecialties
- Select subset of Medicaid Health Plans, Prepaid Inpatient Health Plans (PIHPs), Substance Abuse Coordinating Agencies (SACAs), and Dental Health Plans for outbound 834 enrollment and 820 payment transactions, and 837/NCPDP encounter transactions
- Schedule pilot validation and subsystem testing for selected partners beginning Spring 2011
- Pilot testing will include end-to-end testing of inbound transactions

Subsystem Testing for Non-Pilot Submitters

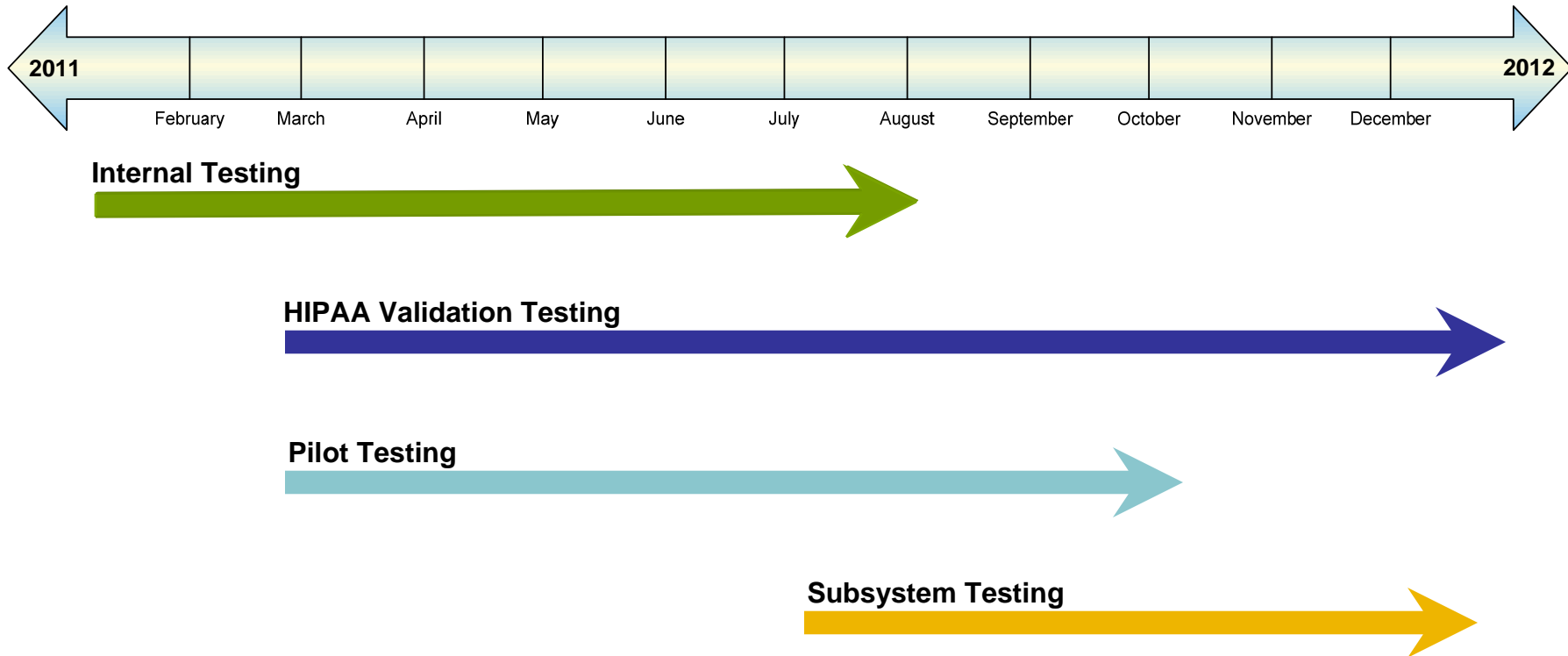
- Subsystem testing for all remaining submitters to begin July 2011
- Subsystem testing will include end-to-end testing of inbound transactions
- Schedule and complete testing with remaining trading partners by December 31, 2011

Production

- Production deployment December 31, 2011
- Validation and subsystem testing must be passed before submitting to production



MDCH Testing Timeline



Working with Vendors

Your vendors and business partners must also be compliant with HIPAA 5010. You should:

- Confirm your vendors, clearinghouses, and other partners will be able to support 5010 requirements.
 - Open a dialogue with them now.
 - Review contracts for terms related to honoring federal mandates or amend contracts as needed.
 - Obtain timelines and project plans.
- Schedule testing with your partners to ensure 5010 capabilities and remediate where needed.
- Work with MDCH and BCBSM to certify compliance with 5010 and test capabilities.

Communication Objectives

- Inform external stakeholders of 5010 roll-out schedules, requirements, EDI setup processes, testing and other information and our expectations related to them.
- Communicate 5010 Awareness to the provider community, utilizing a variety of different mediums.
- Partner with external entities on informational meetings, and presentations.
- Provide external entities with communication and educational materials.
- Develop joint communications with State agencies and Medical Associations
- Ensure that the BCBSM clearinghouse and its stakeholders understand compliance standards and 5010 HIPAA mandates.
- Understand expectations with our clearinghouses regarding version control and implementation timelines and communicate those to the business and technical teams.
- Inform internal stakeholders of 5010 status by communicating ongoing migration issues and/or roadblocks identified during pilot, testing and deployment phases.



Target Audiences

- Software Developers
- External Vendors
- Providers
- Medical Associations
- Clearinghouse
- Other Payers
- BCBSA
- BCBSM Business Units
- Michigan Medicaid
- MPHI

Key Messages

- Federal Compliance Date
- General 5010 Awareness
- Timelines for testing, dual environment, & production
- Testing and deployment process
- Provider impacts
- Trading partner guidelines
- Providers should not rely solely on their vendor
- Highlight key changes involved with 5010.

Methods of Communication

- Letters, e-mails, bulletins and publications
- Webinars
- Surveys
- Web page
- Fliers and handouts
- Provider Forums
- Formal presentations (road shows)
- Medical Associations
- Direct outreach

Resources and Contacts

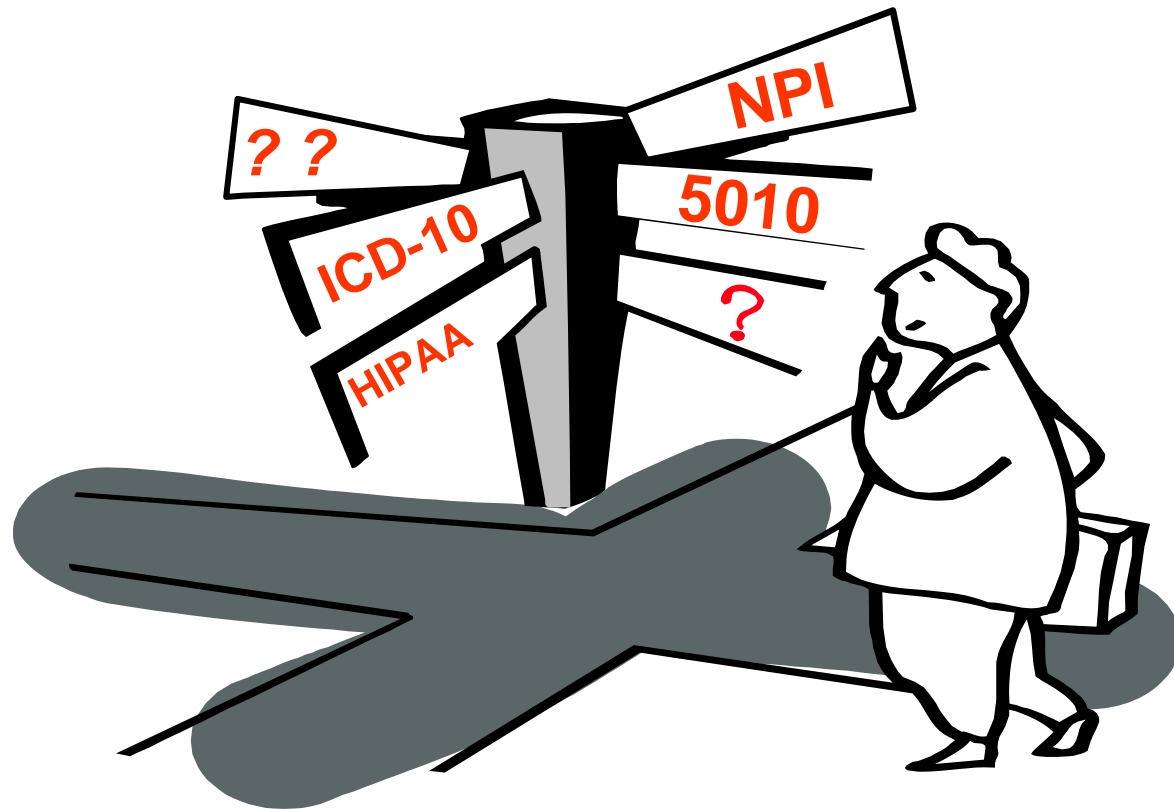
Where can I learn more about HIPAA 5010?

- ✓ The Centers for Medicare and Medicaid Services (CMS) – *MLN Matters* article about 5010: “[An Introductory Overview of the HIPAA 5010](#)”
- ✓ The Centers for Medicare and Medicaid Services (CMS)- Downloads [//www.cms.gov/Versions5010andD0/40_Educational_Resources.asp](http://www.cms.gov/Versions5010andD0/40_Educational_Resources.asp)
- ✓ The [Workgroup on Electronic Data Interchange \(WEDI\)](#) Web site also has valuable information.
- ✓ TR3s (IG) can be purchased from Washington Publishing Company www.wpc-edi.com/

Who may I contact with questions?

- ❖ BCBSM: John Bialowicz jbialowicz@bcbsm.com / 248-486-2498
- ❖ MDCH: Barbara Spadafore spadaforeb@michigan.gov / 734-276-5433

Questions ???



ICD-10 Project Blue Cross Blue Shield of Michigan



The ICD-10 Mandate

- Government ruling states that on **October 1, 2013** all HIPAA-covered health care entities must begin using ICD-10 codes in place of ICD-9 codes
- Claims with non-compliant codes will be rejected
- Does not affect CPT or HCPCS codes and usage
- ICD-10-CM diagnosis codes define the health state of the patient
- ICD-10-PCS procedure codes define the inpatient hospital procedures that patients may receive to maintain or improve their health state



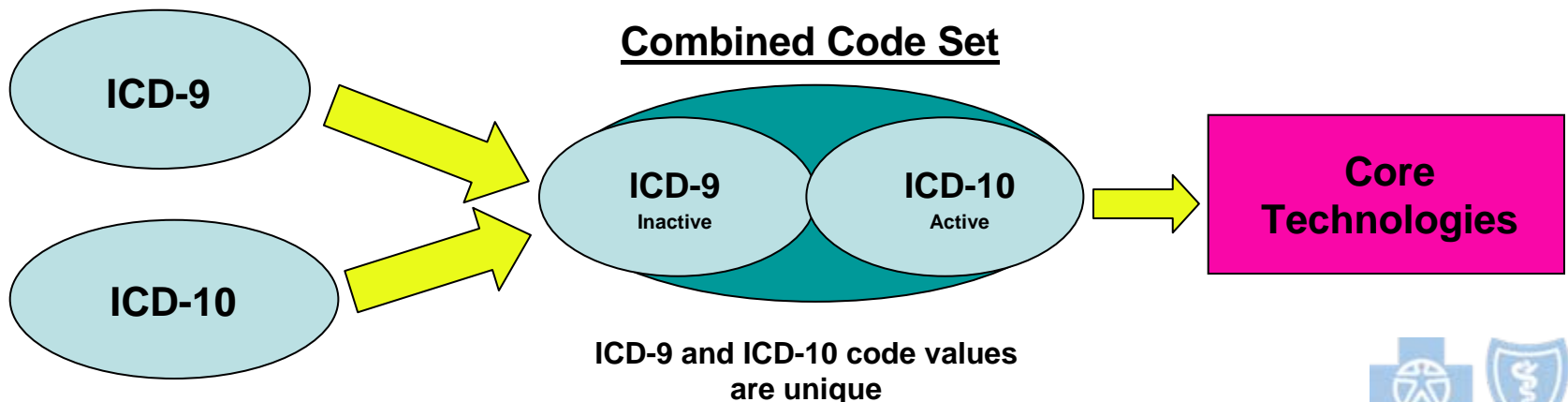
Making the change to ICD-10

Generally, the industry is taking one of two approaches as it relates to the ICD-10 transition:

- Remediation: Modify/expand all systems and processes to accommodate ICD-10 (also referred to as replication or renovation)
- Neutralization: Maintain existing systems using “old” codes and convert inputs and outputs (crosswalk)

BCBSM has selected a remediation approach for ICD-10 compliance.

We will accept and process compliant codes as submitted.



Choosing Remediation



Steps BCBSM took to choose a solution

Step	BCBSM Activities
1	Performed preliminary impact assessment on business/IT processes
2	Established a Program to manage the effort
3	Formed a steering committee for oversight and governance (chaired by CMO)
4	Drafted and had steering committee approve a set of guiding principles
5	Conducted Strategy phase, treating ICD-10 as a business-driven initiative
6	Participated in sessions with all affected business areas to determine full ICD-10 impact



BCBSM's remediation solution

Why this solution?

- ICD-9 and ICD-10 data are separate and distinct
- As such, the existing annual update business process can be used for the transition
- The solution allows BCBSM to achieve compliance while reducing associated costs

Implications of the solution

- The annual update process (normal volume \approx 500 codes) will be used to process 160,000 codes
- Technical changes are limited to field expansion and the review and update of applications currently using ICD-9 codes
- The ICD-10 core technical changes are large in number, low in complexity
- Most of the 'work' is on the business side

Treating ICD-10 as a *massive* annual code update

End date (inactivate) the ICD-9 diagnosis and procedure codes

Add (activate) ICD-10 codes with an Oct. 1, 2013 effective date

Use date of service to determine which code is 'active'



Advantages of remediation

- It positions BCBSM for contingencies:
 - Dual environment supported by not end-dating ICD-9 codes
 - Altering compliance date accomplished by changing ICD-9 end date and ICD-10 effective date
- It also positions us for the future:
 - BCBSM positioned for 2015+ when the system has fully adopted ICD-10
 - Avoids potential issue of altering provider-submitted coding for benefit decisions, reimbursement and medical management



Other notes

- Our remediation solution supports the guiding principles, including an opportunity to utilize the refined ICD-10 data as it becomes available in 2013 (i.e. ICD-10 capable).
- We use 3M's DRG Grouper for our facility claims and we are dependent on the timely availability of the Grouper for our testing activities in mid-2012.
- Whether you choose remediation or a crosswalk, most of the work (specifically business) is still needed
- Everyone will most likely need to create their own version of the GEMs, or Reimbursement Maps, for use in their environment (Blue GEMs)
- Enterprise applications early in the application life cycle will need to be remediated at some point in time (crosswalk solutions will need to be retired).
- The complexity of on-going mapping updates and maintenance will outstrip initial cost savings over the long run.

ICD-10: The Next 3 Years



Each Year of our Implementation Has a Major Focus

2010

*Plan creation,
set-up*

2011

*BCBSM
mapping (Blue
GEM), technical
field expansion*

2012

*IT ICD code
expansion,
internal testing*

2013

*External testing,
Implementation*



Mapping Background

The ICD-10 Mapping Process remains the “lion’s share” of the BCBSM ICD-10 program efforts.

This mission-critical activity is a multi-step process supported by technology and verified by manual reviews.

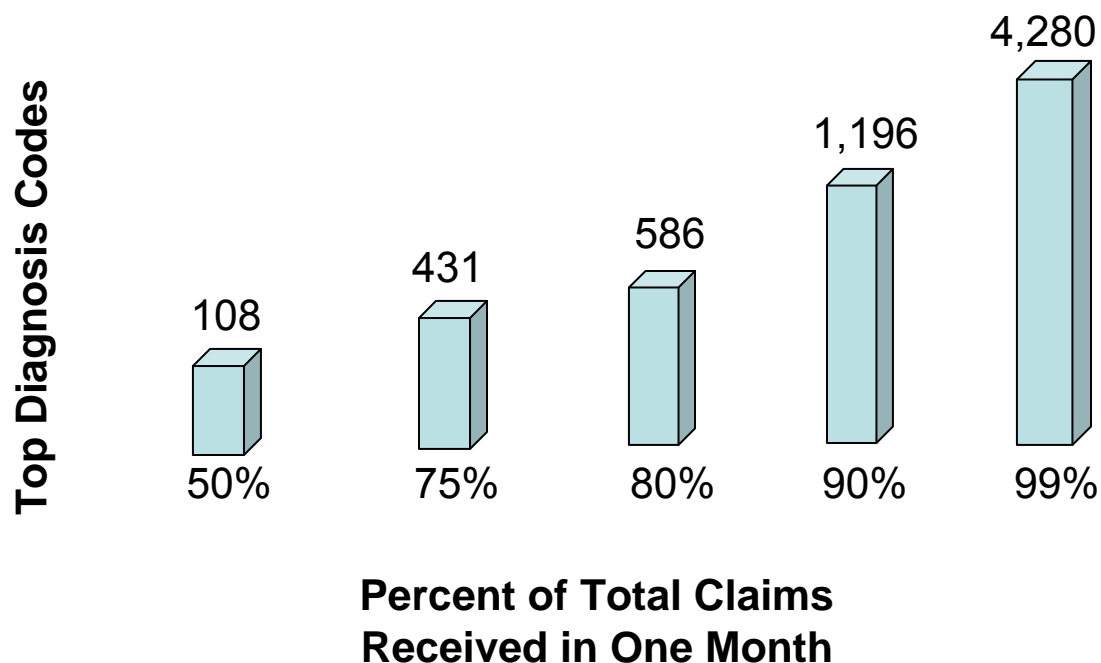


Mapping Process Guiding Principles

- Overall goal – Align every ICD-10 code with the appropriate unique benefit table using the ICD-9 codes and the GEM files to facilitate the transition.
- CMS GEM files will only be able to “get you in the neighborhood” – do not assume they are the final answer.
- Manually reviewing all of the codes too labor intensive and thus, not a viable option.
- A small number of the existing ICD-9 codes account for the majority of provider submissions.
- The mapping process should focus efforts on high impact diagnosis codes:
 - Those that are associated with ICD-9 codes that have a high average cost
 - Those that map to multiple BCBSM benefit categories
 - Those with a high-impact on key provider groups
 - Those that are high-volume (based on claims submitted with associated ICD-9 codes)

High Volume Diagnosis Codes

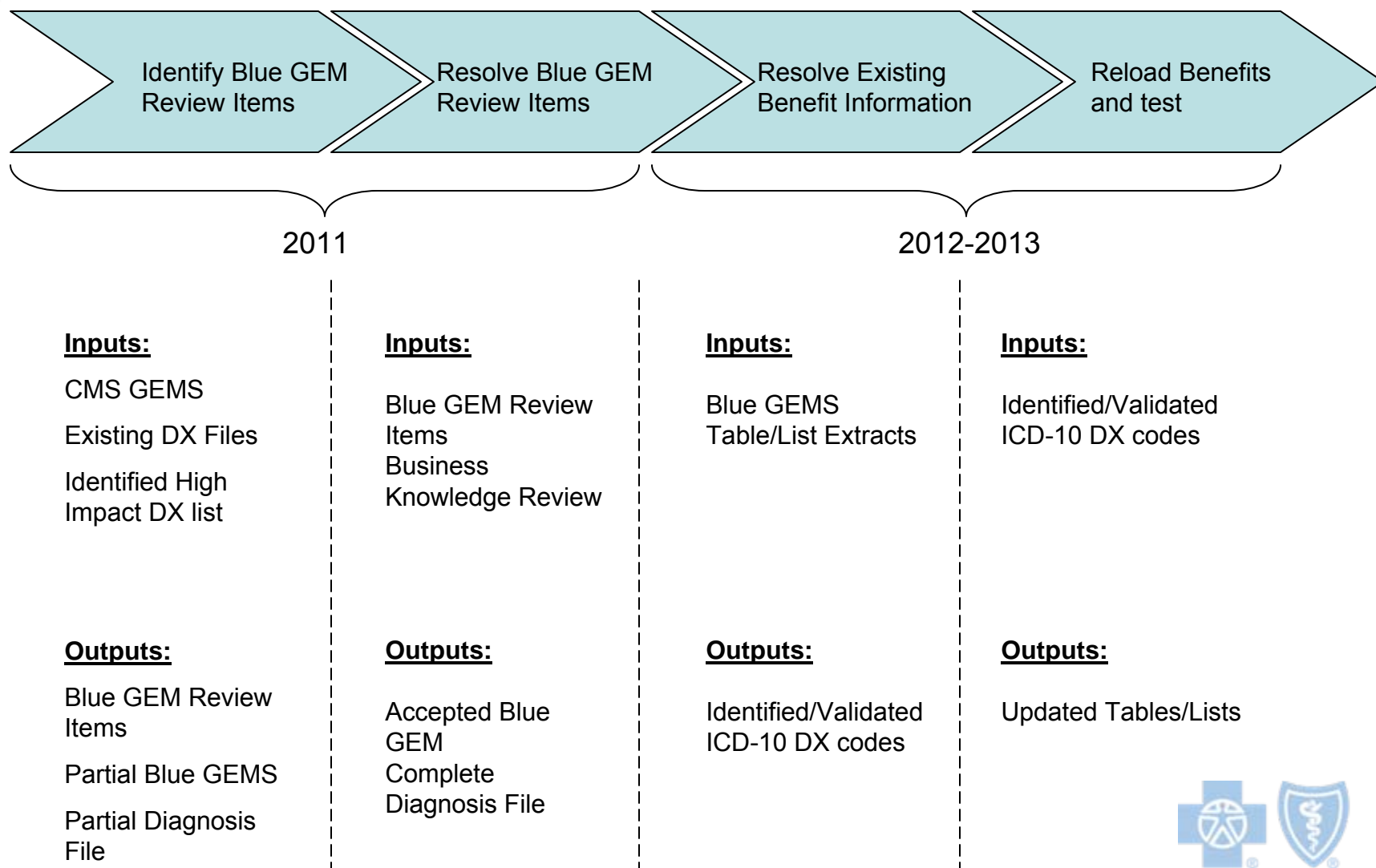
We reviewed all 8.85 million claims received in one month as a test case. 11,921 different values for primary diagnosis were reported on these claims.



Mapping Process Overview



Overview of the Mapping Process



ICD-10 Tools for the Mapping Process

We have identified two tools needed for ICD-10

Mapper (or Decision Utility Tool)



- Technology created to support the mapping of ICD-10 codes to BCBSM systems. Supports automated discrepancy identification and workflow management of their resolution.
- Designed and constructed to maximize flexibility.
- Expect extremely limited shelf life. Ends when CMS stops updating the GEMs (anticipated 2014).

Encyclopedia



- A user-friendly application that helps the enterprise update current business processes/ activities to accommodate ICD-10.
- Provides ongoing enterprise access and repository that supports maintaining ICD-10 knowledge beyond the transition period.
- Indefinite enterprise-wide shelf life.



External Stakeholder Outreach



External stakeholders key to success

We have put safeguards in place to mitigate the possible risks associated with external stakeholders*

Providers	Vendors	Other External Stakeholders
<ul style="list-style-type: none">• Provider educational campaign that includes discussions with external groups, agencies and societies• Direct communication with providers• Allow for testing in 2013• Validating information with specific providers	Comprehensive vendor monitoring plan in place, including ongoing discussions with major vendors	<ul style="list-style-type: none">• Plan in place to communicate with customers as needed• Monitoring and information exchange with trading partners

*In addition to these efforts, we are monitoring CMS actions to ICD-10 readiness concerns.



ICD-10 Project MDCH

DCH General Strategy

- MDCH also selected a remediation approach for ICD-10 compliance
- Treating ICD-10 as an annual code update
- MDCH will accept and process compliant codes as submitted
 - End date ICD-9 codes
 - Add ICD-10 codes with and Oct 1, 2013 effective date
 - Use date of service to determine which code is active

Medicaid ICD-10 High Level Timeline*

Awareness

- Awareness, Communication, and Education/Training

Sep 2010 – Mar 2014

Assessment

- Plan for ICD-10 Activities
- Perform an Impact Assessment
- Develop a Remediation Strategy
- Finalize APDs

Sep 2010 – Jun 2011

Remediation

- Develop Change Requests and Requirements
- Develop Policy Updates, Process Updates, and System Updates
- Execute Internal Individual Systems Testing

Jun 2011 – Jun 2012

****Timeline assumes that Medicaid is still in the Awareness Phase***

End-to-End Testing

- Conduct Internal End-to-End Testing (Level I)
- Conduct External End-to-End Testing (Level II)

May 2012 – Jul 2013

Transition

- Implement Policy, Process, and System Changes

Jul 2013 – Oct 2013



DCH ICD-10 Mapping Strategy

- Identify high impact ICD-9 diagnosis codes
 - Starting with those used during CHAMPS adjudication process
- Mapping process
 - Define repeatable process
 - Use CMS GEM files as a starting point
 - Identify and resolve discrepancies
- Develop tools
 - Mapping tool
 - ICD-10 Dictionary

External Communication Strategy

- Target awareness and education to all providers
 - Liaison Meetings
 - Provider Outreach sessions
 - Dedicated web page
 - Print material
- Provide consistent message
- Work collaboratively with major payers & associations

Questions